

Edward Simpson Prescott

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Professional and Academic Experience

Federal Reserve Bank of Cleveland, Research Department, Senior Professional Economist (September 2015 - present).

Federal Reserve Bank of Richmond, Research Department, Economist (August 1995 – June 2001), Senior Economist (July 2001 – July 2007), Vice President (August 2007 – September 2015). (On leave.)

University of Virginia, Lecturer (Spring 2008).

European Central Bank, Visitor (April 2005).

CEMFI (Madrid, Spain), Visiting Professor (January 2004 – June 2004).

Board of Governors of the Federal Reserve System, Research Assistant (September 1988 – June 1990).

Associate Editor, *Journal of Financial Services Research* (January 2014 – present).

Associate Editor, *Economic Theory* (January 2006 – present).

Editor, Federal Reserve Bank of Richmond *Economic Quarterly* (January 2005 – September 2015).

Education

University of Chicago, Ph.D. Economics, August 1995.

Swarthmore College, B.A. Economics (*cum laude*), May 1988.

Research Areas

Banking, corporate finance, financial intermediation, contract theory, organizations, payment systems.

Academic Publications

“An Experimental Analysis of Contingent Capital with Market-Price Triggers,” (joint with Douglas Davis and Oleg Korenok). *Journal of Money, Credit, & Banking*, vol. 46 (2014), pp. 999-1033.

“Market-Based Corrective Actions,” (joint with Philip Bond and Itay Goldstein). *Review of Financial Studies*, vol. 23 (2010), pp. 781-820.

- “Firms as Clubs in Walrasian Markets with Private Information,” (joint with Robert M. Townsend). *Journal of Political Economy*, vol. 114 (2006), pp. 644-671.
- “State-Contingent Bank Regulation with Unobserved Actions and Unobserved Characteristics,” (joint with David A. Marshall). *Journal of Economic Dynamics & Control*, vol. 30 (2006), pp. 2015-2049.
- “Private Information and Intertemporal Job Assignments,” (joint with Robert M. Townsend). *Review of Economic Studies*, vol. 73 (2006), pp. 531-548.
- “Computing Solutions to Moral-Hazard Programs Using the Dantzig-Wolfe Decomposition Algorithm.” *Journal of Economic Dynamics & Control*, vol. 28 (2004), pp. 777-800.
- “Communication in Models with Private Information: Theory and Computation.” *The Geneva Papers on Risk and Insurance Theory*, vol. 28 (2003), pp. 105-130.
- “Incentives, Communication, and Payment Instruments,” (joint with John A. Weinberg). *Journal of Monetary Economics*, vol. 50 (2003), pp. 433-454.
- “Hired Hooves: Transactions in a South Indian Village Factor Market,” (joint with Rolf A.E. Mueller and Daniel A. Sumner). *Australian Journal of Agricultural and Resource Economics*, vol. 46 (June 2002), pp. 233-255.
- “Collective Organizations versus Relative Performance Contracts: Inequality, Risk Sharing, and Moral Hazard,” (joint with Robert M. Townsend). *Journal of Economic Theory*, vol. 103 (2002), pp. 282-310.
- “Bank Capital Regulation With and Without State-Contingent Penalties,” (joint with David A. Marshall). *Carnegie-Rochester Conference Series on Public Policy*, vol. 54 (2001), pp. 139-184.

Economic Quarterlies

- “The Financial Crisis, the Collapse of Bank Entry, and Changes in the Size Distribution of Banks,” (joint with Roisin McCord). Federal Reserve Bank of Richmond *Economic Quarterly*, vol. 100(1) (First Quarter 2014), pp. 23-50.
- “Too Big to Manage? Two Book Reviews.” Federal Reserve Bank of Richmond *Economic Quarterly*, vol. 99(2) (Second Quarter 2013), pp. 143-162.
- “Contingent Capital: The Trigger Problem.” Federal Reserve Bank of Richmond *Economic Quarterly*, vol. 98(1) (First Quarter 2012), pp. 33-50.
- “A Regional Look at the Role of House Prices and Labor Market Conditions in Mortgage Default,” (joint with Anne Davlin and Sonya Ravindranath Waddell). Federal Reserve Bank of Richmond *Economic Quarterly*, vol. 97(1) (First Quarter 2011), pp. 1-43.
- “Introduction to the Special Issue on the Diamond-Dybvig Model.” Federal Reserve Bank of Richmond *Economic Quarterly*, vol. 96(1) (First Quarter 2010), pp. 1-9.
- “Should Bank Supervisors Disclose Information about Their Banks?” Federal Reserve Bank of Richmond *Economic Quarterly*, vol. 94(1) (Winter 2008), pp. 1-16.
- “Changes in the Size Distribution of U.S. Banks: 1960-2005,” (joint with Hubert P. Janicki). Federal Reserve Bank of Richmond *Economic Quarterly*, vol. 92(4) (Fall 2006), pp. 291-316.

- “Technological Design and Moral Hazard.” Federal Reserve Bank of Richmond *Economic Quarterly*, vol. 91(4) (Fall 2005), pp. 43-55.
- “Auditing and Bank Capital Regulation.” Federal Reserve Bank of Richmond *Economic Quarterly*, vol. 90(4) (Fall 2004), pp. 47-63.
- “Firms, Assignments, and Earnings.” Federal Reserve Bank of Richmond *Economic Quarterly*, vol. 89(4) (Fall 2003), pp. 69-81.
- “Can Risk-Based Deposit Insurance Premiums Control Moral Hazard?” Federal Reserve Bank of Richmond *Economic Quarterly*, vol. 88(2) (Spring 2002), pp. 87-100.
- “Regulating Bank Capital Structure to Control Risk.” Federal Reserve Bank of Richmond *Economic Quarterly*, vol. 87(3) (Summer 2001), pp. 35-52.
- “Means of Payment, the Unbanked, and EFT '99.” Federal Reserve Bank of Richmond *Economic Quarterly*, vol. 85(4) (Fall 1999), pp. 49-70.
- “A Primer on Moral-Hazard Models.” Federal Reserve Bank of Richmond *Economic Quarterly*, vol. 85(1) (Winter 1999), pp. 47-77.
- “Group Lending and Financial Intermediation: An Example.” Federal Reserve Bank of Richmond *Economic Quarterly*, vol. 83(4) (Fall 1997), pp. 23-48.
- “The Pre-commitment Approach in a Model of Regulatory Banking Capital.” Federal Reserve Bank of Richmond *Economic Quarterly*, vol. 83(1) (Winter 1997), pp. 23-51.

Economic Briefs, Editorials, and Other Policy Pieces

- “Did Banking Reforms of the Early 1990s Fail? Lessons from Comparing Two Banking Crises,” (joint with Eliana Balla, Helen Fessenden, and John R. Walter). Federal Reserve Bank of Richmond *Economic Brief*, No. 15-06, June 2015.
- “Explaining the Decline in the Number of Banks since the Great Recession,” (joint with Roisin McCord and Tim Sablik). Federal Reserve Bank of Richmond *Economic Brief*, No. 15-03, March 2015.
- “Experimenting with Contingent Capital Triggers,” (joint with David A. Price). Federal Reserve Bank of Richmond *Economic Brief*, No. 12-02, February 2012.
- “A Case Against Disclosing Camels Ratings,” (joint with Stephen Slivinski). *American Banker*, vol. 174 (102), May 29, 2009.
- “The Costs and Benefits of Bank Supervisory Disclosure,” (joint with Stephen Slivinski). Federal Reserve Bank of Richmond *Economic Brief*, No. 09-05, May 2009.
- “A Snapshot of Mortgage Conditions with an Emphasis on Subprime Mortgage Performance,” (joint with Scott Frame and Andreas Lehnert). Document prepared for Federal Reserve’s Home Mortgage Initiatives, August 2008.

Working Papers

- “Deferred Pay for Bank Employees: Implications of Hidden Actions with Persistent Effects in Time,” (joint with Arantxa Jarque). Federal Reserve Bank of Richmond Working Paper 10-16R, September 2015.

“Did the Financial Reforms of the Early 1990s Fail? A Comparison of Bank Failures and FDIC Losses in the 1986–92 and 2007–13 Periods,” (joint with Eliana Balla and John R. Walter). Federal Reserve Bank of Richmond Working Paper 15-05, May 2015.

“Fixed Prices and Regulatory Discretion as Triggers for Contingent Capital Conversion: An Experimental Examination,” (joint with Douglas Davis). Federal Reserve Bank of Richmond Working Paper 15-02, February 2015. (Revise and resubmit at *International Journal of Central Banking*).

“Banker Compensation and Bank Risk: The Organizational Economics View,” (joint with Arantxa Jarque). Manuscript, July 30, 2014. (Earlier version, FRB Richmond Working Paper 13-03, March 2013.)

“Firms as Clubs in Walrasian Markets with Private Information: Technical Appendix,” (joint with Robert M. Townsend). Federal Reserve Bank of Richmond Working Paper 05-11, November 2005.

“Models of Limited and Costly Communication.” Manuscript, December 2001.

Referee Work

Journal of Political Economy, *American Economic Review*, *Review of Economic Studies*, *Econometrica*, *Journal of Monetary Economics*, *Quarterly Journal of Economics*, *Review of Financial Studies*, *Journal of Economic Dynamics & Control*, *International Economic Review*, *Journal of Banking and Finance*, *Journal of Law, Economics & Organization*, *Journal of Regulatory Economics*, *Journal of Development Economics*, *Journal of Economic Education*, Russell Sage Foundation, National Science Foundation, *American Economic Journal - Macro*, *Econ Letters*, *International Journal of Economics and Business*, *Journal of Economic Theory*, *Journal of Financial Intermediation*, *Journal of Money, Credit, & Banking*, *Journal of Finance*, *Journal of Policy Analysis and Management*, *International Economic Journal*, *Journal of Banking and Finance*, *Journal of International Money and Finance*, *Review of Economic Dynamics*, *Eurasian Journal of Economics and Business*.

Program Committee Work

Financial Intermediation Research Society (2004, 2008, 2009, 2014, 2015), FRBNY/NYU Stern Conference on Financial Intermediation (2015), IBEFA Summer meetings (2014), 14th Annual Bank Research Conference (FDIC/JFSR) (2014), SAET Session Organizer (2007, 2010, 2011, 2013, 2015).